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RUEAIIA/CIA WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEKDIA/DIA WASHINGTON DC
RHEHNSC/NSC WASHDC
RUMICEA/USCINCCENT INTEL CEN MACDILL AFB FL

C O N F I D E N T I A L SECTION 01 OF 02 RIYADH 001677

SIPDIS

DEPT FOR NEA/FO, NEA/ARP, NEA/IPA
JERUSALEM FOR DEPUTY ENVOY HALE
DEPT ALSO FOR EEB/IFD/ODF (DEMARCELLUS, VAKIL); INR/NESA

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TAGS: [ECON](#) [EAID](#) [PREL](#) [KWBG](#) [GCC](#) [SA](#) [GZ](#)
SUBJECT: IDB ADVISOR DISCUSSES AID TO GAZA

REF: A. RIYADH 1455
[1](#)B. RIYADH 1300

Classified By: Acting DCM Lisa Carle for reasons 1.4 (b) and (d)

[1](#)1. (U) This is an action request. See paragraph 8.

Summary

[1](#)2. (C) The Islamic Development Bank (IDB), recently made responsible for overseeing the GCC's \$1.6 billion in foreign assistance for the reconstruction of Gaza, is studying what projects are feasible, but has yet to start any of these projects. IDB advisor is concerned about access issues and political uncertainty and says the U.S. could be doing more on these. Advisor also offered to develop a system to track construction materials if it would assuage Israeli concerns about these materials being diverted. End summary.

No GCC funds spent yet

[1](#)3. (C) On December 19, Econoff met with El Mansour Feten, an advisor to the president of the Islamic Development Bank (IDB), at his Jeddah office to discuss the bank's oversight of the GCC states' \$1.6 billion in reconstruction assistance for Gaza. Feten said the IDB was studying what needs to be done in Gaza in conjunction with partner donor agencies and with IDB consultants in the field but stated that none of the aid has been disbursed as of yet. He said that while the IDB is currently designing projects based on studies, it has no definite timetable for any of them.

Border crossings, political uncertainty are key obstacles

[1](#)4. (C) Feten emphasized that Gaza's "situation" needs to be clarified before the IDB can begin large-scale reconstruction projects. Specifically, he identified a need to know whether border crossings into Gaza will be open (or if partially open, what materials would be allowed to cross). He said the humanitarian situation should be dealt with separately from the political concern but said he realized certain aspects of the political process, such as Palestinian reconciliation, were inextricably tied to Gaza reconstruction.

[1](#)5. (C) Feten also said a key IDB priority was to ensure that reconstruction efforts were conducted in a transparent manner to prevent funds from being diverted. He added that the IDB

did this through regular audits and by working with "friendly" governments that are transparent in their efforts (no further info). He said the IDB was politically neutral and that it worked with local authorities and municipalities to accomplish its mission. (Note: Feten said explicitly that the IDB will work with Hamas if it is the local authority, but he denied Hamas would have a role in the disbursement of IDB-provided reconstruction funds. This role would be reserved for IDB contractors, partner NGOs, and the UNDP. End note.)

U.S. image suffering as Gaza remains in ruins

¶6. (C) Feten made a point of noting that the U.S. image continues to suffer throughout the region as reconstruction efforts in Gaza lag. He noted that there is a popular perception that if the U.S. government wanted construction materials to get through border crossings, we would make it happen. Interestingly, he suggested that if the Israeli government has concerns about the end-use of construction materials, the IDB would be willing to put in place a tracking system using indelible markings on the materials themselves that would allow for verification that materials were not diverted.

Comment

¶7. (C) The overall tone of the meeting with Feten was extremely positive. He was effusive in his praise of

RIYADH 00001677 002 OF 002

President Obama's efforts in the region while still quick to emphasize that reconstruction assistance was not getting to those who need it most. While for much of the meeting he spoke in general terms about big-picture issues, his staff appeared intensely focused on project-related specifics and expressed keen interest in strengthening lines of communication between the IDB and the USG. End comment.

Action request

¶8. (C) Post requests Department guidance on following up with IDB offer to develop a tracking system to assist in clearing materials at the Gaza border. Embassy Riyadh POC is Economic Officer Christopher Newton. Jeddah POC is Political / Economic Officer Dominic So.
SMITH